Registry of the Competition Tribunal

2007-2008

Departmental Performance Report

Tony Clement
Minister of Industry

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Minister's Message

The Industry Portfolio experienced a busy and successful 2007–2008. As Minister of Industry, I am pleased with the progress made on our mission to foster a competitive, knowledge-based economy that benefits all Canadians.

A competitive economy is one that provides jobs and opportunity to Canadians, and top-quality products and services to consumers. Our economic performance underpins the quality of life we enjoy in this country, and the Registry of the Competition Tribunal is making important contributions to this mission.

The Industry Portfolio is composed of Industry Canada and 10 other agencies, Crown corporations and quasi-judicial bodies. These organizations collectively advance Canada's industrial, scientific and economic development, and help ensure that we remain competitive in the global marketplace.

As a country, we must remain focused on how we can continue to provide an innovative and entrepreneurial economic environment, help our businesses capitalize on opportunities, and provide choice and quality to consumers. The global marketplace continues to evolve, changing with it the dynamics that influence Canada's performance. I am proud to say that the Industry Portfolio is playing its part:

- We are working to make our market for wireless services more competitive, this year launching the policy framework for the Advanced Wireless Services spectrum auction. The framework aims to provide more choice and better service for consumers and businesses — something that we believe will also lead to lower prices.
- We issued guidelines clarifying the application of the *Investment Canada Act* as it relates to foreign state-owned enterprises investing in our country to ensure that Canadians continue to enjoy all the benefits that foreign investment delivers.
- We instituted an independent Competition Policy Review Panel to review and report on key elements of Canada's competition and investment policies and to ensure that they are working to the full benefit of Canadians.
- We created an Automotive Innovation Fund to provide support to automotive firms undertaking large-scale, strategic research and development (R&D) projects to build innovative, greener and more fuel-efficient vehicles. Similarly, investments made through the Strategic Aerospace and Defence Initiative continue to encourage strategic R&D that will result in innovation and excellence in new products and services.

One of my key priorities as Industry Minister continues to be our country's science and technology (S&T) strategy, *Mobilizing Science and Technology to Canada's Advantage*, announced by Prime Minister Harper in May 2007.

- Budget 2008 included measures and initiatives in support of our S&T Strategy that total $654 million over the next three years.
- We put in place the new Science, Technology and Innovation Council to provide the government with objective policy advice on Canada's S&T issues.
- The government allocated $105 million in 2007–2008 to support the operations of seven new Centres of Excellence, pilot projects that have the potential to make Canada a global leader in fields of research that offer a strategic opportunity for Canadian industry.
- This past March, Canada's two-armed robot, Dextre, was successfully installed on the International Space Station.

This has been a year of progress and success, and it is my pleasure to present the Registry of the Competition Tribunal's *Departmental Performance Report* for 2007–2008. I am committed to building on these successes in 2008 and beyond, and I will continue to work with officials in the Industry Portfolio to make Canada more efficient, productive and competitive.

Tony Clement
Minister of Industry

Management Representation Statement

I submit for tabling in Parliament the 2007-08 Departmental Performance Report for the Registry of the Competition Tribunal.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2007-2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's approved Strategic Outcome and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Name: Raynald Chartrand

Title: Deputy Head and Registrar

Summary Information

Reason for Existence

The Competition Tribunal is a quasi-judicial adjudicative tribunal that was created in 1986 by the *Competition Tribunal Act*. Its mandate is to hear applications and issue orders related to the civil reviewable matters set out in Parts VII.1 and VIII of the *Competition Act*, whose purpose is to maintain and encourage competition in Canada, and to ensure that firms compete fairly and markets operate efficiently. The Tribunal has no other function and operates at arm's length from the government and its departments.

Since its creation, the Tribunal has heard cases relating to mergers, abuse of dominant position and various trade practices that have involved key players in several industries. The Tribunal has dealt with cases concerning products and services in a number of business areas, including, among others, pharmacies; furniture stores; importers of cast iron pipes; airline computer reservation systems and travel; oil refining and gasoline retailing; community newspapers; aspartame; waste disposal; car parts; marketing research services and shared electronic network services.

The *Competition Tribunal Act* provides for an administrative infrastructure in support of the Tribunal through the Registry of the Competition Tribunal (RCT). The RCT provides all requirements for the proper conduct of the Tribunal's business, and for the Tribunal to hold hearings anywhere in Canada, as necessary. The RCT is the repository for the filing of applications and documents, as well as issuing documents and orders for all cases brought before the Tribunal.

This Departmental Performance Report pertains to the activities of the Registry in support of the Tribunal and its deliberations, and not to the Tribunal cases themselves.

Financial Resources ($ thousands)

2007-2008		
Planned Spending	**Total Authorities**	**Actual Spending**
$ 1,536	$1,750	$1,537

Human Resources

2007-2008		
Planned	**Actual**	**Difference**
14	14	0

Departmental Priority

Name	Type	Performance Status
Efficient and effective Registry support to the Tribunal for the conduct of fair and timely hearings of cases and to issue decisions under Parts VII.1 and VIII of the *Competition Act* in accordance with the provisions of the Act.	**Ongoing**	**Successfully met**

Summary of Departmental Performance

The expected results were a Registry service that provides administrative support to Tribunal members and litigants and timely access to case records and decisions as well as contributing to enhance Tribunal effectiveness and transparency and continued maintenance of modernized document and filing systems.

The posting of documents on the website was done over 90% of the time within 48 hours of their filing with the RCT. An increase was also noticed in the number of documents filed through the e-filing system. Parties are now more aware of its secure features and its much larger size limitations compared to regular emails. The Legal Section completed its major initiative of revising the Rules of procedure of the Tribunal. This exercise streamlined the various procedures to be followed by the parties. The new rules also decrease the paper-burden imposed on the parties appearing before the Tribunal.

Program Activities by Strategic Outcome

	Expected Results	Performance Status	2007-2008 ($ thousands)		Contributes to the following priority
			Planned Spending	Actual Spending	
Strategic Outcome: Open, fair, transparent and expeditious hearings related to the Tribunal's jurisdiction.					
Process cases	High quality Registry services providing the public efficient access to case records and decisions.	Successfully met	$1,536	$1,537	Efficient and effective Registry support to the Tribunal for the conduct of fair and timely hearings of cases and to issue decisions under Parts VII.1 and VIII of the *Competition Act* in accordance with the provisions of the Act.
	Processing of documents according to timeframes established in the Rules of Procedure.	Successfully met			
	Access to efficient management of electronic hearings of applications.	Successfully met			

The Registry of the Competition Tribunal contributes to the Government of Canada outcome area of a fair and secure marketplace by supporting the Tribunal in conducting open and timely hearings of cases. Conducting proceedings in a timely manner is notable, and the outcomes of the legal proceedings may be felt by all Canadians. The decisions of the Tribunal help promote the efficiency and adaptability of the Canadian economy on issues related to its jurisdiction.

Departmental Context

The mandate of the Competition Tribunal is to hear applications and issue orders related to the civil reviewable matters set out in Parts VII.1 and VIII of the *Competition Act*.

The Tribunal has no control over its workload as the number of applications brought to the Tribunal depends on the number of cases filed by the Commissioner of Competition and the number of cases filed by individuals or companies under the private access provisions of the *Competition Act*. It can only react to external demands. As a court of record, the Tribunal has such powers, rights and privileges as are vested in a superior court of record with respect to the attendance, the swearing-in and examination of witnesses, the production and inspection of documents, the enforcement of its orders and other matters necessary for the due exercise of its jurisdiction.

Clients of the Competition Tribunal are mainly Canadian businesses, and the cases it hears are complex. The impact of the decisions of the Tribunal on Canadian businesses can be as varied as maintaining and encouraging competition in Canada, expanding opportunities for Canadian participation in world markets, ensuring that small and medium-sized enterprises have an equitable opportunity to participate in the Canadian economy and ultimately providing consumers with competitive prices and product choices.

The Registry of the Competition Tribunal (RCT) is a small federal organization with one program activity; to provide efficient and effective support to the Tribunal in processing cases. The RCT consistently looks for ways to enhance preparedness to ensure that cases are processed promptly and fairly. Litigants expect cases to be resolved quickly and at a lower cost. The past several years have been ground-breaking for the modernization of the RCT's operations. The RCT has felt increased pressure to develop and introduce improved electronic services and it has responded appropriately. The electronic filing and hearing process it has developed has set a standard for the legal community throughout Canada. The new Rules of procedure now require the parties to submit their documents electronically. This change from the previous Rules of procedure creates an opportunity for the RCT to offer to the Tribunal and parties the option of an electronic hearing during which required documents are displayed electronically on computer screens without the need for paper documents.

SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Strategic Outcome

Open, fair, transparent and expeditious hearings related to the Tribunal's jurisdiction.

Program Activity

Process Cases

The Tribunal hears cases and the RCT processes the materials for the cases heard by the Tribunal under Part VII.1 (Deceptive Marketing Practices) and Part VIII (Reviewable Matters) of the *Competition Act*.

The RCT provides the public with efficient access to case records and decisions by posting documents on the Tribunal's website expeditiously as a significant number of web users visit the Tribunal's website to perform searches on our case documents. The RCT also ensures the documents are processed within the prescribed time limits established in the Rules of procedure. The RCT responded to the increasing demand for electronic transmission of documents by investing in its electronic filing system and by providing a more secure medium to transfer documents regardless of their size and level of confidentiality.

Financial Resources ($ thousands)

Planned Spending	Authorities	Actual Spending
$1,536	$1,750	$1,537

Human Resources

Planned	Actual	Difference
14 FTE	14 FTE	0

Numbers of proceedings:

Statistics	2006-2007	2007-2008
Number of proceedings filed	12	8
Number of proceedings completed	14	10
Number of proceedings filed from previous year and still on-going	6	4
Number of decisions rendered	35	28

The RCT does not have any control over the number of proceedings filed. It can only react to the number of applications filed by the parties. There has been a small decrease in the number of filings in 2007-08 compared to 2006-07 but overall there were no major fluctuations between the two years. The four (4) proceedings filed from previous year and still on-going shown in 2007-08 were filed in the latter part the fiscal year and will most likely be completed in 2008-09.

Expected Results

- **High quality Registry services providing the public efficient access to case records and decisions**.

An analysis of the web survey shows that 60% of the users visit the website to perform searches on case documents making it increasingly important for the RCT to post case documents on the website in a timely manner.

The established service standard respecting the posting of documents and the publication of notices on the website for the Registry is that they should be posted, 90% of the time within 48 hours of filing, with proof of service as required. This goal was achieved 90.5% of the time even with an increase of 10% in the number of documents filed. Another service standard for the Registry is to publish notices in the *Canada Gazette* and/or newspapers within 10 days of filing the Notice of Application for the applicable cases. This cannot apply this year as no applicable case was filed.

- **Processing of documents according to timeframes established in the Rules of Procedure.**

During 2007-2008, the RCT has provided efficient case processing and hearing services to the Tribunal and litigants while adjusting to a case management system that was implemented in the previous fiscal year. This system has helped improve the management of documents and the preparation of members' bench books. All documents were processed within the timeframe established in the Rules of procedure.

The Legal Section completed its major initiative of revising the Rules of procedure of the Tribunal in order to streamline the various proceedings before the Tribunal. On May 26, 2007, the new Rules were pre-published in Part I of the *Canada Gazette*. Stakeholders were invited to send written comments to the Tribunal's Registrar and written submissions were received. These suggestions as well as responding comments were carefully studied and the new Rules were modified to incorporate some of the suggestions received. The new Competition Tribunal Rules were published in Part II of the *Canada Gazette* on May 14, 2008 and came into effect that same day.

The Legal Section worked with Tribunal members and registry staff to ensure a smooth implementation of the new Rules. Training sessions were given to Tribunal members and registry staff who respond to enquiries from the public. Information about the new Rules, along with a link to the new Rules, was posted on the Competition Tribunal website and an information bulletin was sent to Tribunal website subscribers.

The new Rules take into account the evolution of technology such as e-filing, the changes in procedure brought about by amendments to the *Competition Act*, and the experience of the Competition Tribunal as an expert tribunal for civil competition matters.

- **Access to efficient management of electronic hearings of applications.**

The RCT's secure channel web-based electronic filing application permits parties to file documents securely and is used in conjunction with email filings with attachments. Although email filings are preferred by the Tribunal's clients because of their convenience, the number of documents filed through the electronic filing system of the website has increased by over 100 % this fiscal year. Counsel for parties are more aware of its secure features and its much larger size limitation compared to regular emails. The website e-filing application is often the preferred medium for large documents or when confidentiality is an issue. The increased usage of the electronic filing application confirms that it is increasingly seen as an efficient tool for the secure filing of documents. Feedback received through the web survey is very positive. The majority of the documents received by the RCT are now received by electronic transmission. Only 5 to 10% are still received by fax or by paper copy. The paper copies, when required, are often forwarded to the Registry following their electronic filing.

SECTION III – SUPPLEMENTARY INFORMATION

Strategic Outcome: Open, fair, transparent and expeditious hearings related to the Tribunal's jurisdiction.				
	Actual Spending 2007-08 ($ thousands)			**Alignment to Government of Canada Outcome Area**
	Budgetary	**Non-budgetary**	**Total**	
Process cases	$1,537	$0	$1,537	A fair and secure marketplace

The Registry of the Competition Tribunal contributes to the Government of Canada outcome area of "a fair and secure marketplace" by supporting the Tribunal in conducting open and timely hearings of cases falling under its jurisdiction.

Table 1: Comparison of Planned to Actual Spending (including FTEs)

	2005–06 Actual	**2006-07 Actual**	**2007-08** ($ thousands)			
			Main Estimates	**Planned Spending**	**Total Authorities**	**Actual**
Process Cases	$1,590	$1,524	$1,536	$1,536	$1,750	$1,537
Total	**$1,590**	**$1,524**	**$1,536**	**$1,536**	**$1,750**	**$1,537**
Less: Non-respendable revenue	N/A	N/A	N/A	N/A	N/A	N/A
Plus: Cost of services received without charge	$485	$523	N/A	$630	N/A	$630
Total Departmental Spending	**$2,075**	**$2,047**	**N/A**	**$2,166**	**N/A**	**$2,167**
Full-time Equivalents	14	14	N/A	14	N/A	14

Table 2: Voted and Statutory Items

Vote or Statutory Item	Truncated Vote or Statutory Wording	2007-2008 ($ thousands)			
		Main Estimates	Planned Spending	Total Authorities	Actual
Vote 45	Operating expenditures	$1,536	$1,536	$1,600	$1,537
Vote 45b	Transfer of $150K from Industry Vote 1			$150	
(S)	Contributions to employee benefit plans	$160	$160	$161	$161
	Total	**$1,696**	**$1,696**	**$1,911**	**$1,698**

REGISTRY OF THE COMPETITION TRIBUNAL

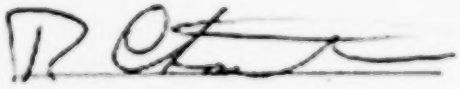
Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements of the Registry of the Competition Tribunal (Registry) for the year ended March 31, 2008 and all information contained in these statements rests with the Registry's management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Registry's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Registry's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Registry.

The financial statements of the Registry have not been audited.



Raynald Chartrand
Deputy Head and Registrar

Erminda Mondero
Financial Officer

Ottawa, Canada
Date: August 28, 2008

Table 16: Financial Statements of Department

REGISTRY OF THE COMPETITION TRIBUNAL

Statement of Operations *(unaudited)*

For the Year Ended March 31

(in dollars)

	2008	2007
Expenses		
Process cases		
Salaries and employee benefits	$ 1,125,613	$ 1,267,481
Accommodation	570,132	459,000
Professional and special services	346,562	399,155
Transportation and telecommunications	129,253	106,023
Utilities, materials and supplies	50,951	33,824
Amortization of tangible capital assets	14,746	(12,791)
Information	11,895	11,029
Rentals	6,638	9,248
Repair and maintenance	1,395	685
Net cost of operations	$ 2,257,185	$ 2,273,654

The accompanying notes are an integral part of these financial statements.

REGISTRY OF THE COMPETITION TRIBUNAL

Statement of Financial Position *(unaudited)*

At March 31

(in dollars)

	2008	2007
Assets		
Financial assets		
Accounts receivable and advances (Note 4)	$ 17,011	$ 48,108
Total financial assets	17,011	48,108
Non-financial assets		
Tangible capital assets (Note 5)	102,844	40,127
Total non-financial assets	$ 102,844	$ 40,127
TOTAL	$ 119,855	$ 88,235
Liabilities		
Accounts payable and accrued liabilities	$ 138,618	$ 42,080
Vacation pay and compensatory leave	24,222	65,249
Employee severance benefits (Note 6)	268,102	234,649
Total liabilities	$ 430,942	$ 341,978
Equity of Canada	(311,087)	(253,743)
TOTAL	$ 119,855	$ 88,235

The accompanying notes are an integral part of these financial statements.

REGISTRY OF THE COMPETITION TRIBUNAL

Statement of Equity of Canada *(unaudited)*

At March 31

(in dollars)

	2008	2007
Equity of Canada, beginning of year	(253,743)	(246,166)
Net cost of operations	(2,257,185)	(2,273,654)
Current year appropriations used (Note 3)	1,697,344	1,700,955
Change in net position in the Consolidated Revenue Fund (Note 3)	(127,636)	42,122
Services provided without charge by other Government departments (Note 7)	630,133	523,000
Equity of Canada, end of year	(311,087)	(253,743)

The accompanying notes are an integral part of these financial statements.

REGISTRY OF THE COMPETITION TRIBUNAL

Statement of Cash Flow (unaudited)

For the Year Ended March 31

(in dollars)

	2008	2007
Operating Activities		
Net cost of operations	$ 2,257,185	$ 2,273,654
Non-cash items:		
Amortization of tangible capital assets (Note 5)	(14,746)	(12,791)
Services provided without charge by other government departments (Note 7)	(630,132)	(523,000)
Variations in Statement of Financial Position		
Decrease in accounts receivable and advances	(31,097)	(47,284)
(Increase) decrease in liabilities	(88,964)	26,915
Cash used by operating activities	$ 1,492,245	$ 1,743,076
Capital investment activities		
Acquisitions of tangible capital assets	77,464	-
Cash used by capital investment activities	77,464	-
Financing activities		
Net cash provided by Government of Canada	$(1,569,709)	$(1,743,076)

The accompanying notes are an integral part of these financial statements.

REGISTRY OF THE COMPETITION TRIBUNAL
Notes to the Financial Statements (unaudited)

1. Authority and Objectives

The Competition Tribunal is a quasi-judicial adjudicative tribunal created in 1986 by the *Competition Tribunal Act*. Its mandate is to hear applications and issue orders related to the civil reviewable matters set out in Parts VII.1 and VIII of the *Competition Act*, whose purpose is to maintain and encourage competition in Canada, and to ensure that firms compete fairly and markets operate efficiently. The Tribunal has no other function and operates at arm's length from government and its departments.

The *Competition Tribunal Act* provides for an administrative infrastructure for the Registry. For the purpose of this report, a clear distinction between the Tribunal and its Registry must be established. While they assume complementary roles to support the implementation of the *Competition Act*, these two entities have different status, carry out different activities, and are subject to different accountability measures. One fundamental difference between the Tribunal and the Registry is that the former is a quasi-judicial body, while the latter is considered a federal department under the *Financial Administration Act*. In fact, the *Financial Administration Act* specifically excludes the Tribunal from the Registry's designation as a department.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations

The Registry is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Registry do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provide a high-level reconciliation between the two bases of reporting.

(b) Net cash provided by Government

The Registry operates within the Consolidated Revenue Fund (CRF) which is administered by the Receiver General for Canada. All cash received by the Registry is deposited to the CRF and all cash disbursements made by the Registry are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund

The change is the difference between the net cash provided by Government and appropriations used in a year. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Expenses

Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services provided without charge by other government departments for accommodation and the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

(e) Employee future benefits

I. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The Registry's contributions to the Plan are charged to expenses in the year incurred and represent the total Registry obligation to the Plan. Current legislation does not require the Registry to make contributions for any actuarial deficiencies of the Plan.

II. Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(f) Accounts receivable and advances

Accounts receivable and advances are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(g) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of $3,000 or more are recorded at their acquisition cost. The Registry does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Machinery and equipment	10 years
Informatics hardware	3 – 4 years
Other equipment	5 – 10 years
Leasehold improvements	period of the lease

(h) Measurement uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary appropriations

The Registry receives its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Registry has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(unaudited)

(a) Reconciliation of net cost of operations to current year appropriations used:

	2008	2007
	(in dollars)	
Net cost of operations	2,257,185	2,273,654
Adjustments for items affecting net cost of operations but not affecting appropriations		
Add (Less):		
Services provided without charge by other government departments	(630,132)	(523,000)
Amortization of tangible capital assets	(14,746)	12,791
(Increase) in employee severance benefits liability	(33,453)	(70,371)
Decrease in vacation pay and compensatory leave liability	41,026	-
Adjustment of previous year's accounts payable	-	7,881
	1,619,880	1,700,955
Adjustments for items not affecting net cost of operations but affecting appropriations		
Add: Tangible capital assets acquisitions	77,464	-
Current year appropriations used	1,697,344	1,700,955

(b) Appropriations provided and used

	Appropriations Provided	
	2008	2007
	(in dollars)	
Vote 45 - Operating expenditures	1,750,283	1,544,953
Statutory amounts	160,826	178,112
Less:		
Lapsed appropriations: Operating	(213,765)	(22,110)
Current year appropriations used	1,697,344	1,700,955

(c) Reconciliation of net cash provided by Government to current year appropriations used

	2008	2007
	(in dollars)	
Net cash provided by Government	1,569,709	1,743,076
Change in net position in the Consolidated Revenue Fund		
Decrease in accounts receivable and advances	31,097	47,284
Increase (decrease) in accounts payable and accrued liabilities	96,538	(97,286)
Other adjustments		7,881
	127,635	(42,121)
Current year appropriations used	1,697,344	1,700,955

(unaudited)

4. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:

	2008	2007
	(in dollars)	
Receivables from other Federal Government departments and agencies	17,628	10,073
Receivables from external parties	(1,117)	37,535
Employee advances	500	500
Total	17,011	48,108

5. Tangible Capital Assets

	Cost			
	Opening balance	Acquisitions	Disposals and write-offs	Closing balance
Capital asset class				
Informatics hardware	217,340	23,580	-	240,920
Other equipment	172,824	-	-	172,824
Machinery and equipment	122,847	-	-	122,847
Leasehold improvements	-	53,884	-	53,884
Total	513,011	77,464	-	590,475

	Accumulated amortization			
	Opening balance	Amortization	Disposals and write-offs	Closing balance
Capital asset class				
Informatics hardware	209,892	5,958	-	215,850
Other equipment	142,860	7,902	-	150,762
Machinery & equipment	120,133	886	-	121,019
Leasehold improvements	-	-	-	-
Total	472,885	14,746	-	487,631

	Net Book Value	
	2008	2007
Informatics hardware	25,070	7,449
Other equipment	22,062	29,964
Machinery and equipment	1,828	2,714
Leasehold improvements	53,884	-
Total	102,844	40,127

Amortization expense for the year ended March 31, 2008 is $14,746 (for the year ended March 31, 2007 was - $12,791).

(unaudited)

6. Employee benefits

a) Pension benefits

The Registry's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Registry contribute to the cost of the Plan. The 2007-08 expense amounts to $116,928 ($130,446 in 2006-07) which represents approximately 2.2 times (2.2 times in 2006-07) the contributions by employees.

The Registry's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b) Severance benefits

The Registry provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2008	2007
	(in dollars)	
Accrued benefit obligation, beginning of the year	234,649	164,278
Expense for the year	33,453	70,371
Benefits paid during the year	-	-
Accrued benefit obligation, end of the year	268,102	234,649

7. Related party transactions

The Registry is related as a result of common ownership to all Government of Canada departments, agencies and Crown Corporations. The Registry enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Registry received services which were obtained without charge from other Government departments as presented in part (a).

a) Services provided without charge:

During the year, the Registry received without charge from other government departments, accommodation and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Registry's Statement of Operations as follows:

(unaudited)

	2008	2007
	(in dollars)	
Accommodation	570,132	459,000
Employer's contribution to the health and dental insurance plans	60,000	64,000
Total	630,132	523,000

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The cost of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in the Registry's Statement of Operations.

b) Payables outstanding at year-end with related parties:

	2008	2007
	(in dollars)	
Accounts payable to other government departments and agencies	75,286	24,864

SECTION IV – OTHER ITEMS OF INTEREST

Organizational Information

The Competition Tribunal is composed of not more than six judicial members, who are appointed by the Governor in Counsel on the recommendation of the Minister of Justice, and not more than eight non-judicial members, who are appointed by the Governor in Counsel on the recommendation of the Minister of Industry. Non-judicial members have backgrounds in economics, business, accounting and other relevant fields.

The RCT has been designated a department for the purposes of the *Financial Administration Act*, with the Minister of Industry as its minister and the Registrar of the Tribunal as its deputy head. The Registry has 14 full-time employees and provides all necessary administrative support required by the Tribunal for the hearing and disposition of all applications. The RCT responds to all requests for information by the legal community, researchers and the public on the status of cases, the Rules of procedure and its case law.

Improving Management Practices

Sharing of resources

The RCT entered into a partnership with another small federal organization to share the services of a Financial Analyst and of an Information Management and Technology Officer. This has proven to be very efficient and cost effective for the organizations involved.

The RCT continued its active involvement with the Small Agency Transition Support Team (SATST). The Deputy Head is a member of the Advisory Committee of the Heads of Federal Agencies looking at a Service Delivery Model to assist small agencies in meeting their reporting obligations to central agencies.

Tightening Budgeting and Reporting Practices

The budgeting and reporting practices of the RCT has improved over the year. Improved month-end internal procedures such as reconciliation of accounts and implementation of new templates and documentation of procedures have increased the accuracy of month-end reports submitted to the Receiver General. These improvements to internal processes have placed the RCT in a better position to adopt accrual accounting practices.

Human Resources Planning

In line with the objectives of the Clerk of the Privy Council, the RCT focused its efforts in improving its human resources planning. A Human Resources Plan with staffing strategies for every position was developed and approved. This provides employees a clear objective as to the direction management is moving in view of retaining current employees and attracting new people in the organization.

Employee Learning and Development

The Canada School of Public Service was invited to present and demonstrate the use of their on-line Learning Plan Tool. Learning plans were developed and approved by management and financial resources were set aside to support employees in attaining their learning objectives.

Enabling Legislation

Competition Tribunal Act, R.S.C. 1985 (2nd Supp.), c.19

Part VII.1, *Competition Act*, R.S.C. 1985, c. C-34

Part VIII, *Competition Act*, R.S.C. 1985, c. C-34

For Further Information

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